

# Elbert County Government Annual Financial Report

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For the year ended December 31, 2016

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**ELBERT COUNTY, COLORADO**

**FINANCIAL STATEMENTS**

**December 31, 2016**

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION	
Transmittal Letter .....	i – iii
Elbert County Organization .....	iv – v
Elbert County Fund Chart .....	vi – ix
INDEPENDENT AUDITOR’S REPORT .....	I - III
MANAGEMENT’S DISCUSSION AND ANALYSIS .....	IV - IX
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position .....	1
Statement of Activities.....	2
Fund Financial Statements	
Balance Sheet - Governmental Funds.....	3 - 4
Reconciliation of the Balance Sheet to the Statement of Net Position .....	5
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	6 - 7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Funds .....	8
Statement of Fiduciary Net Position - Fiduciary Funds.....	9
Notes to Financial Statements.....	10 - 32
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual	
General Fund (Non GAAP Budget Basis).....	33 - 35
Road and Bridge Special Revenue Fund (Non GAAP Budget Basis).....	36
Human Services Special Revenue Fund .....	37
Sales and Use Tax Special Revenue Fund.....	38
Note to Required Supplementary Information.....	39
SUPPLEMENTARY INFORMATION	
Nonmajor Governmental Funds	
Combining Balance Sheet.....	40
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	41

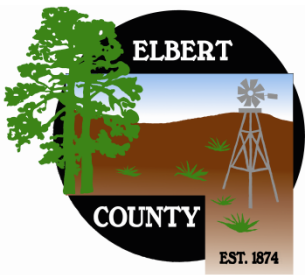
(Continued)

TABLE OF CONTENTS

(Continued)

	PAGE
Special Revenue Funds	
Nonmajor Special Revenue Funds	
Combining Balance Sheet.....	42 - 43
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	44 - 45
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
Law Enforcement Assistance Fund (Non GAAP Budget Basis).....	46
Impact Assistance Fund.....	47
Public Health and Administration Fund.....	48
Retirement Fund.....	49
Conservation Trust Fund.....	50
Debt Service Funds	
Combining Balance Sheet.....	51
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	52
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	
Bond Redemption Debt Service Fund (Non GAAP Budget Basis).....	53
Chaparral Valley Debt Service Fund.....	54
Meadows Station Debt Service Fund.....	55
Foxwood Estates Debt Service Fund.....	56
Fiduciary Funds	
Agency Funds	
Combining Statement of Changes in Assets and Liabilities Fiduciary Funds.....	57
 OTHER SCHEDULES	
Local Highway Finance Report.....	58- 59

## **INTRODUCTORY SECTION**



# COUNTY OF ELBERT

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Elbert County Government  
215 Comanche St.  
PO BOX 7  
Kiowa, CO 80117

July 26, 2017

To the Board of County Commissioners and the Citizens of Elbert County:

The Comprehensive Annual Financial Report of Elbert County, Colorado for the fiscal year ended December 31, 2016 is hereby submitted.

This report consists of management's representations concerning the finances of Elbert County. Consequently, management assumes full responsibility for both the accuracy of the presented data, and for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of Elbert County has established internal controls that are designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information of the preparation of the Elbert County financial statements in conformity with Generally Accepted Accounting Principles in the United States of America (US GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). Since the cost of internal controls should not outweigh their benefits, Elbert County's internal controls have been designed to provide reasonable assurance the financial statements will be free from material misstatement.

To the best of our knowledge and belief, this financial report is accurate in all material aspects and reported in a manner which fairly represents the financial position and results of operations of Elbert County as measured by the financial activity of its various funds. Further, we believe all disclosures that are necessary to enable the reader to gain the maximum understanding of Elbert County's financial activities have been included.

Colorado Revised Statute (CRS) 29-1-603 requires local governments to have an annual audit of their financial statements, performed in accordance with generally accepted auditing standards, by a firm of licensed certified public accountants. (CRS) 29-6-605 requires the financial statements be presented in conformity with US GAAP.

The County's financial statements have been audited by Rubin Brown, LLP. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County, for the fiscal year ended December 31, 2016, are free of material misstatement. The independent audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements, assessing the accounting policies used as well as the reasonableness of estimates made by management, and evaluating the overall financial statement presentation. The independent

auditor, based upon their audit, rendered an unmodified opinion, concluding that these financial statements are fairly presented in conformity with US GAAP. The independent auditor's report is presented in the financial section of this report. In addition to meeting the requirements set forth in state statutes, the audit included a federally mandated "Single Audit" designed to meet the needs of federal grantor agencies (Single Audit Act Amendments of 1996 and related Title 2 U.S. Code of Federal Regulation (CFR) Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirement for Federal Awards (Uniform Guidance). The standards governing Single Audit engagements require the independent auditor to report not only on the fair representation of the financial statements, but also on the government's internal controls and compliance with legal requirements involved in the administration of federal awards. The reports issued by the independent auditors are presented in a separately issued Single Audit Report. GASB requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

### **Profile of Elbert County**

Elbert County was formed in 1874. The County covers 1850 square miles. The county is very diverse in population ranging from rural to urban. The County has a population of about 24,750.

The County provides a wide range of services that include law enforcement and public safety, planning and zoning, public works, public health and human services, elections, motor vehicle and general administrative services.

The three-member Board of County Commissioners (BOCC) serves as the legislative, policy-making and administrative body governing the unincorporated area of the County. The commissioners are elected at large from one of three geographical districts and serve staggered four-year terms (term-limited to two terms).

The County is one of four counties, along with Arapahoe, Douglas and Lincoln counties in the Eighteenth Judicial District served by the District Attorney, an elected official responsible for prosecuting all criminal case filings.

The Board is directly supported by the County Manager and County Attorney.

Department Heads manage the remainder of the County's functions, including Public Works, Road & Bridge, Fairgrounds, Health & Human Services, Community & Development Services, Maintenance, Finance, Personnel & Benefits, Information Technology, CSU Extension, and Office of Emergency Management.

The Board is charged with the responsibility of providing adequate budget appropriations to fund statutory functions, as well as responding to the service needs of the citizens. In turn, the other elected and appointed officials are charged with managing their authorized budgets in order to meet their statutory obligations and service demands as cost-effectively as possible. The Board is required to adopt a final budget no later than the end of the fiscal year. The adopted budget becomes the County's annual financial plan and mechanism to control spending.

In closing, we wish to acknowledge the interest, leadership and support of the Board of County Commissioners and the cooperation of each of Elbert County's Departments as we work together to conduct Elbert County's financial operations. Each person involved demonstrates prudent fiscal management and stewardship with regards to the actual and ongoing financial conditions of Elbert County. We aim to provide basic sustainable foundations that result in a high quality of life for our citizens, taxpayers and communities.

Respectfully submitted,

Kyrei Zion  
Finance Department



# Elbert County, Colorado

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## *Elbert County Organization Officials*

### Elected Officials

• Commissioner District 1	Chris Richardson	Current Term: 2017-2021
• Commissioner District 2	Danny Willcox	Current Term: 2016-2019
• Commisisoner District 3	Grant Thayer	Current Term: 2017-2021
• Sheriff	Shayne Heap	Current Term: 2015-2019
• Treasurer/Public Trustee	Rick Pettitt	Current Term: 2015-2019
• Assessor	Billie Mills	Current Term: 2015-2019
• Coroner	Mike Graeff	Current Term: 2015-2019
• Surveyor	Keith Westfall	Current Term: 2015-2019
• Clerk & Recorder	Dallas Schroeder	Current Term: 2015-2019

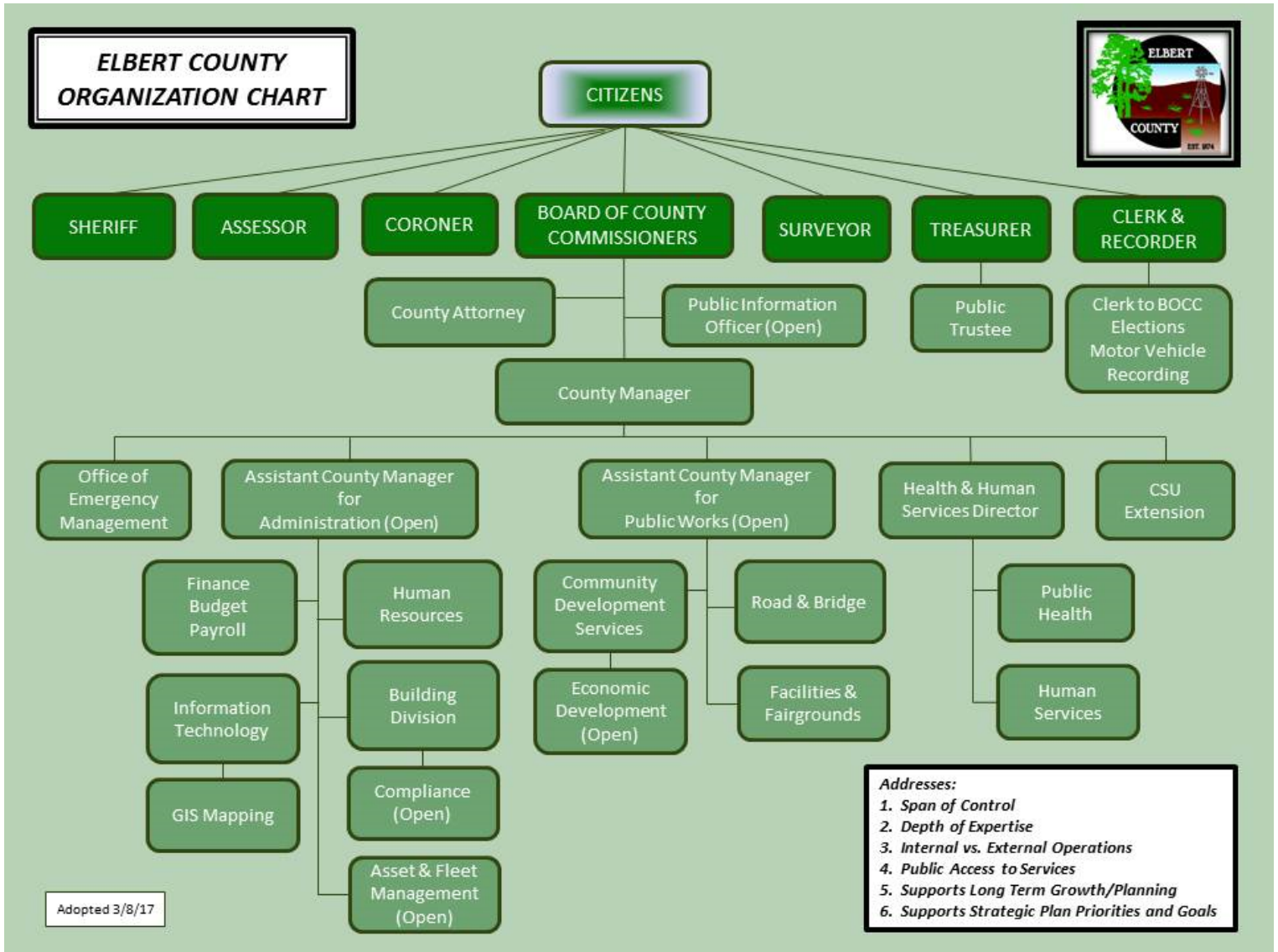
### Appointed Officials

• County Manger	Vacant
• County Attorney	Vacant



# Elbert County, Colorado

## Elbert County Organizational Chart



Adopted 3/8/17

- Addresses:**
1. *Span of Control*
  2. *Depth of Expertise*
  3. *Internal vs. External Operations*
  4. *Public Access to Services*
  5. *Supports Long Term Growth/Planning*
  6. *Supports Strategic Plan Priorities and Goals*



# Elbert County, Colorado

## *Elbert County Government Fund Chart*

### Fund 010- General Fund

- The General Fund accounts for resources of the County which are not required legally or by sound financial management to be accounted for in another fund. Ordinary operations of the County such as public safety, county administration and other activities financed from taxes and general revenues are reflected in the General Fund.
- Basis of Accounting- Modified Accrual

Department 000	Non-Departmental
Department 011	Commissioners
Department 012	Personnel & Benefits
Department 015	Other Administration
Department 016	Compactor
Department 017	Information Technology
Department 018	Finance Department
Department 020	Clerk & Recorder
Department 021	County Attorney
Department 025	Elections
Department 030	Treasurer
Department 040	Assessor
Department 060	Maintenance
Department 070	Fleet
Department 170	District Attorney
Department 210	Justice Center
Department 211	Sheriff's Office
Department 213	Coroner's Office
Department 273	Office of Emergency Management
Department 280	Community & Development Services
Department 515	4-H Fair
Department 520	Fairgrounds
Department 525	Fairboard
Department 610	CSU Extension
Department 701	Surveyor



# Elbert County, Colorado

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## *Elbert County Government Fund Chart Continued*

### Fund 015- Health Fund

- The Health Fund is used to account for monies expended only for the purposes of public and environmental health pursuant Colorado Revised Statutes 25-1-511(1)(2).
- Basis of Accounting- Modified Accrual

### Fund 020- Road & Bridge

- The Road and Bridge fund is used to account for the County's share of State revenues that are legally restricted for the maintenance of highways and roads within the County's boundaries and to account for revenues restricted for highway and road purposes
- Basis of Accounting- Modified Accrual

### Fund 025- Sales & Use Tax Fund

- The Sales and Use Tax fund is used to account for the collection of County sales tax restricted for capital expenditures
- Basis of Accounting- Modified Accrual

### Fund 040- Law Enforcement Assistance Fund

- The Law Enforcement Assistance Fund is used to account for the collection of revenue from law enforcement citations. Revenues in this fund are used for expenses related to law enforcement activities.
- Basis of Accounting- Modified Accrual



# Elbert County, Colorado

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## *Elbert County Government Fund Chart Continued*

### Fund 050- Human Services Fund

- The Human Services fund is used to account for the County's State, Federal and property tax revenues that are restricted for providing social services to the residents of the County.
- Basis of Accounting- Modified Accrual

### Fund 070- Retirement Fund

- The Retirement Fund is used to account for the County's portion of retirement contribution for employees.
- Basis of Accounting - Modified Accrual

### Fund 075- Capital Improvement Fund

- The Capital Improvement Fund is used to account for all major capital improvements and investments.
- Basis of Accounting- Modified Accrual

### Fund 085- Impact Fund

- The Impact Fund is used to account for the collection of impact funds related to development.
- Basis of Accounting- Modified Accrual

### Fund 090- Conservation Trust Fund

- The Conservation Trust Fund is used to account for the State of Colorado Lottery funds allocated to the County for recreational uses.
- Basis of Accounting- Modified Accrual



# Elbert County, Colorado

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## *Elbert County Government Fund Chart Continued*

### Fund 095- Debt Service Fund

- The Debt Service Fund is used to account for the accumulation of resources of general long-term debt principal and interest associated with the lease mortgage revenue bond.
- Basis of Accounting- Modified Accrual

### Fund 082- Chaparral Valley Fund

- The Chaparral Valley Fund is a debt service fund to account for the collection of special assessments in this district for the use of paying the local improvement district bond.
- Basis of Accounting- Modified Accrual

### Fund 083- Meadows Station Fund

- The Meadows Station Fund is used to account for the mill levy tax collection on all properties within the boundaries of the district for the purpose of paying the special improvement district general obligation bond.
- Basis of Accounting- Modified Accrual

### Fund 084- Foxwood Estates Fund

- The Foxwood Estates Fund is used to account for the mill levy tax collection on all properties within the boundaries of the district for the purpose of paying the special improvement district general obligation bond.
- Basis of Accounting- Modified Accrual



RubinBrown LLP  
Certified Public Accountants  
& Business Consultants

## Independent Auditors' Report

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Board of County Commissioners  
Elbert County  
Kiowa, Colorado

### Report On The Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Elbert County, Colorado (the County), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### *Management's Responsibility For The Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the County as of December 31, 2016 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages IV through IX and 33 through 39, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund statements and schedules and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules and the Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules and the Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### **Other Reporting Required By *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2017 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*RubinBrown LLP*

July 26, 2017

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **ELBERT COUNTY, COLORADO MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of Elbert County (the County), the Board of County Commissioners offers readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2016.

### **Financial Highlights**

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$76,842,061 (net position) at the close of the fiscal year. Of this amount, \$6,565,718 in unrestricted net position available to meet ongoing and future obligations of the County.
- The net decrease in capital assets for the year was \$2,176,017. The decrease was due to depreciation expense of \$6,159,404 exceeding capital additions and donations of \$4,049,054. This reduction was increased by a loss on disposal of assets of \$44,742. The majority of the capital outlay is related to the construction of the County Road 9/15 and the lease purchase agreements for road equipment in the Road and Bridge Funds and for vehicles for the Sheriff's Office.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$8,542,531.
- Total net position decreased by \$1,010,067. This is a combination of large capital outlay expenditures for County Road 9/15. In addition, the County recorded more than \$6.1 million in depreciation expense, a substantial portion which was for public works infrastructure.
- Total long-term debt decreased by \$651,824 during the current fiscal year. The Chaparral Valley Debt Service Fund has borrowed a total of \$127,000 from Road and Bridge Fund to exercise an early payment options on its bonds. The Chaparral Valley 2 Subdivision Local Improvement District Special Assessment Bonds were completely paid in 2016. In 2016, the County refinanced the Elbert County, Colorado Lease Mortgage Revenue Bonds, Series 2009 issued by the Building Authority. Because of the refunding the interest rate on these bonds decreased, the new bond no longer has certain covenants and the County does not have a significant balloon payment in 2028.
- Total cash and investments, including that held in a fiduciary capacity, increased by \$504,166. As part of refinancing the Lease Mortgage Revenue Bond, Series 2009, reserve bond funds of \$500,000 were released. These funds are anticipated to be used for capital outlay in 2017.
- Taxes increased \$1,190,812. The majority of this increase was property and specific ownership taxes. However, sales and use taxes also increased. In addition, at the end of the fiscal year, the Treasurer's Office held \$112,460 more for other governments than it had at the end of last fiscal year.
- Both General Fund revenues and expenditures increased as compared to the prior year. The net change in fund balance increased from \$570,682 to \$955,560. Unassigned fund balance increased to \$1,880,112.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information and schedules in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Both the government-wide financial statements identify functions of the County that are principally to be supported by taxes and intergovernmental revenue (governmental activities). The governmental activities of the County include general government, public safety, public works, public health and welfare, culture and recreation, auxiliary services, and debt service.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the County include both governmental funds and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 13 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the General Fund, the Road and Bridge special revenue fund, Human Services special revenue fund, Sales and Use Tax special revenue fund each of which are considered major funds. Data for the other nine governmental funds are combined into a single aggregated presentation. Individual fund data for these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its major and nonmajor governmental funds. All funds are adopted on the GAAP basis of accounting except for the General, Road and Bridge and Law Enforcement Assistance Funds. Amounts expended in 2016 but budgeted in 2017, as the result of a recognized subsequent event, are recorded as budgeted expenditures in 2017. In addition, amounts expended as the result of capital leases are not included in the budgeted revenues or expenditures. Budgetary comparison statements have been provided to demonstrate compliance with these budgets.

**Fiduciary funds.** Fiduciary funds are used to account for assets held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County’s own programs.

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents in the form of required supplementary information, budgetary comparison statements for the major governmental funds.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

This report also contains a local highway finance report.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. The County’s assets exceeded liabilities by \$76,842,061 at the close of the most recent fiscal year.

	<b>Net Position</b>	
	<u>2016</u>	<u>2015</u>
Current assets	\$ 18,164,597	\$ 17,295,025
Capital assets	76,928,226	79,104,243
Total assets	<u>95,092,823</u>	<u>96,399,268</u>
Deferred outflows of resources	<u>183,877</u>	<u>216,482</u>
Current liabilities	998,728	861,825
Long-term liabilities	8,753,633	9,405,457
Total liabilities	<u>9,752,361</u>	<u>10,267,282</u>
Deferred inflows of resources	<u>8,682,278</u>	<u>8,496,340</u>
Net investment in capital assets	68,994,162	70,824,731
Restricted net position	1,282,181	1,391,756
Unrestricted net position	6,565,718	5,635,641
Total net position	<u><u>\$ 76,842,061</u></u>	<u><u>\$ 77,852,128</u></u>

The largest portion of the County’s net position (90%) reflects its investment in capital assets. The County uses these capital assets to provide services to citizens; consequently, the assets are not available for future spending.

An additional portion of the County’s net position (1.7%) represents resources that are subject to restrictions on how they can be used and/or are not currently available for the County’s ongoing

obligations. The remaining balance of unrestricted net position \$6,565,718 may be used to meet the government's future expenditures. Unrestricted net position increased \$930,077 during 2016.

At the end of the current fiscal year, the County reported positive balances in all three categories of net position.

The County's net position decreased by \$1,010,067 during the current fiscal year. As noted above, this is the result of a combination of large capital outlay expenditures for County Road 9/15 and depreciation expense which represents 26% of government-wide expenditures.

### Change in Net Position

	2016	2015
Revenues		
Program revenues		
Charges for services	\$ 4,219,352	\$ 4,052,738
Operating grants and contributions	7,537,736	7,352,811
Capital grants and contributions	-	391,115
General revenues		
Taxes	12,387,063	11,188,396
Intergovernmental	9,901	10,036
Investment and interest income	32,932	15,313
Gain on sale of capital assets	-	20,631
Other	30,537	92,311
Total revenues	24,217,521	23,123,351
Expenses		
General government	3,987,854	3,780,505
Public safety	4,990,956	4,641,975
Public works	10,605,289	10,692,694
Public health and welfare	4,792,280	5,360,435
Culture and recreation	329,649	302,008
Auxiliary services	141,443	136,528
Interest on long-term debt	380,117	459,265
Total expenses	25,227,588	25,373,410
Change in net position	(1,010,067)	(2,250,059)
Net position - Beginning	77,852,128	80,102,187
Net position - Ending	\$ 76,842,061	\$ 77,852,128

## **Financial Analysis of the Government's Funds**

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental funds.**

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$8,542,531, of which \$6,588,258 is attributed to the major funds.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the General Fund had a fund balance of \$2,246,663. This is an increase of \$955,560 from the prior year. Fiscal year 2016 marks the third year that the County's General Fund has had positive unassigned fund balance.

Revenues increased for most line items compared to 2015. Taxes increased \$655,305. The majority of this increase was in property taxes which rose \$538,890. The administrative cost allocation increased as the County continues to refine its cost allocation process and ensure that all funds pay their fair share of costs. Other income decreased significantly. Expenditures increased a total of \$503,296. The Office of the Clerk and Recorder and central data processing showed increases in their expenditures.

The Road and Bridge Special Revenue Fund had a total fund balance of \$2,270,496 as of December 31, 2016. The Road and Bridge Special Revenue Fund's fund balance increased by \$612,648 from the previous year. In the current year, total revenues were \$628,325 higher than in 2014. The majority of the difference was a result of higher tax revenues and increased transfers from the Sales and Use Tax and Impact Fund to reimburse road costs.

The Human Services Special Revenue Fund's fund balance was \$511,242 at the end of the current fiscal year. The Human Services Special Revenue Fund's fund balance increased \$105,452 from the previous year. Revenues increased 179,357 over the prior year. As noted for the other major funds, taxes increased \$52,704. Expenditures decreased \$84,673, as the amounts expended by the state on the County's behalf dropped \$135,859.

The Sales and Use Tax Special Revenue Fund's fund balance was \$2,449,187 at the end of the current fiscal year. The Sales and Use Tax Special Revenue Fund's fund balance decreased \$889,330 from the previous year. The major project in this fund is County Road 9/15, which was finished in 2016. The reduction in fund balance to build infrastructure was anticipated in the budget project.

### **Original Budget Compared to Final Budget**

The Board of County Commissioners adopted a supplemental appropriation to increase expenditures in the Law Enforcement Assistance Fund \$299,993.

These additional funds were used for capital outlay and debt service costs.

## **Capital Assets**

The County invested, not including donated assets, \$4,049,054 in capital assets for its governmental-type activities for the year ended December 31, 2016. This investment in capital assets consists primarily of infrastructure, equipment and vehicles. Additional information on the County's capital assets can be found in Note 4 on page 18 of this report.

## **Long-Term Debt**

At December 31, 2016 the County had total long-term debt of \$8,753,633. Long-term debt includes the Refunding Lease Mortgage Revenue Bond, Series 2016, capital leases used to finance equipment and vehicles, compensated absences and the titan missile complex. In an effort to save interest costs, the Chaparral Valley Debt Service Fund, borrowed an additional \$55,000 from the Road and Bridge and called the remainder of its bonds early. The County continues to find innovative approaches to save money. Additional information on the County's long-term debt can be found in Note 5 on beginning page 19 of this report.

## **Economic Factors and Next Year's Budgets**

The County has appropriated \$27,994,900 for spending in the 2017 fiscal year budget. Budgeted 2016 revenue of \$26,241,153 and the use of accumulated fund balances will be sufficient to cover the appropriated expenditures in 2017.

Also in 2017, the County will utilize a capital projects to expend the cash that was released from restriction as a result of refinancing the bonds. As described in Note 14 on page 32, these funds will be used to purchase a building at a cost of \$495,801 and also to pay certain remodeling costs.

## **Requests for Information**

This financial report is designed to provide a general overview of Elbert County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Elbert County, 215 Comanche Street, Kiowa, Colorado 80117.

## **BASIC FINANCIAL STATEMENTS**

**ELBERT COUNTY, COLORADO**  
**STATEMENT OF NET POSITION**  
**December 31, 2016**

	<u><b>Governmental Activities</b></u>
<b>ASSETS</b>	
Cash and investments	\$ 7,852,864
Prepaid expenses	82,892
Receivables	990,578
Due from other governments	110,741
Property taxes receivable	8,622,151
Assessments receivable	60,127
Inventory of supplies	381,882
Cash and investments - Restricted	63,362
Capital assets, not being depreciated	
Land and water rights	4,810,057
Capital assets, net of accumulated depreciation	
Buildings, equipment and infrastructure	72,118,169
Total assets	<u>95,092,823</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charge on debt refunding	<u>183,877</u>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	915,010
Accrued interest payable	58,940
Unearned revenues	24,778
Noncurrent liabilities	
Due within one year	1,293,738
Due in more than one year	7,459,895
Total liabilities	<u>9,752,361</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue-property taxes and assessments	<u>8,682,278</u>
<b>NET POSITION</b>	
Net investment in capital assets	68,994,162
Restricted	
Emergency reserves	375,509
Other purposes	18,202
Debt service	43,749
Capital projects	500,000
Conservation trust	341,721
Unrestricted	6,568,718
Total net position	<u>\$ 76,842,061</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**ELBERT COUNTY, COLORADO**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2016**

<u>Functions/Programs</u>	<u>Program Revenues</u>			<b>Net (Expense) Revenue and Changes in Net Position</b>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Primary government:				
Governmental activities:				
General government	\$ 3,987,854	\$ 1,675,927	\$ 60,825	\$ (2,251,102)
Public safety	4,990,956	158,106	277,283	(4,555,567)
Public works	10,605,289	1,977,034	2,964,990	(5,663,265)
Public health and welfare	4,792,280	315,538	4,069,709	(407,033)
Culture and recreation	329,649	92,747	164,929	(71,973)
Auxiliary services	141,443	-	-	(141,443)
Interest on long-term debt	380,117	-	-	(380,117)
Total primary government	<u>\$ 25,227,588</u>	<u>\$ 4,219,352</u>	<u>\$ 7,537,736</u>	<u>(13,470,500)</u>

General revenues:	
Taxes	12,387,063
Grants not restricted to a specific program	9,901
Investment earnings	32,932
Other	30,537
Total general revenues	<u>12,460,433</u>
Change in net position	<u>(1,010,067)</u>
Net position - Beginning	<u>77,852,128</u>
Net position - Ending	<u>\$ 76,842,061</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**ELBERT COUNTY, COLORADO**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2016**

	<b>Special Revenue Funds</b>			
	<b>General</b>	<b>Road and Bridge</b>	<b>Human Services</b>	<b>Sales and Use Tax Fund</b>
<b>ASSETS</b>				
Cash and investments with Treasurer	\$ 2,147,367	\$ 1,525,763	\$ 502,693	\$ 1,414,458
Cash and investments with Treasurer - Restricted	18,202	-	-	-
Accounts receivable	347,835	327,852	-	277,079
Assessments receivable	-	-	-	-
Due from other funds	19,064	83,584	-	-
Advances to other funds	-	127,000	-	-
Due from other governments	-	-	110,741	-
Property taxes receivable	4,963,225	2,890,195	456,347	-
Prepaid expenses	43,472	24,290	9,917	-
Inventory of supplies	1,269	380,613	-	-
<b>Total assets</b>	<b><u>\$ 7,540,434</u></b>	<b><u>\$ 5,359,297</u></b>	<b><u>\$ 1,079,698</u></b>	<b><u>\$ 1,691,537</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 324,118	\$ 196,730	\$ 91,637	\$ 131,680
Due to other funds	-	-	3,998	-
Unearned revenue	6,428	1,876	16,474	-
Advances from other funds	-	-	-	-
<b>Total liabilities</b>	<b><u>330,546</u></b>	<b><u>198,606</u></b>	<b><u>112,109</u></b>	<b><u>131,680</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-property taxes and assessments	4,963,225	2,890,195	456,347	-
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid expenses	43,472	24,290	9,917	-
Inventory	1,269	380,613	-	-
Restricted				
Emergency reserves	235,971	91,238	13,439	-
Other purposes	18,202	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Conservation trust	-	-	-	-
Assigned				
Transportation	-	1,774,355	-	-
Public health and welfare	-	-	487,886	-
Public safety	-	-	-	-
Capital projects	-	-	-	1,559,857
Retirement	-	-	-	-
Community Development Services	67,637	-	-	-
Unassigned	1,880,112	-	-	-
<b>Total fund balances</b>	<b><u>2,246,663</u></b>	<b><u>2,270,496</u></b>	<b><u>511,242</u></b>	<b><u>1,559,857</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 7,540,434</u></b>	<b><u>\$ 5,359,297</u></b>	<b><u>\$ 1,079,698</u></b>	<b><u>\$ 1,691,537</u></b>

<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 2,262,583	\$ 7,852,864
45,160	63,362
37,812	990,578
60,127	60,127
2,786	105,434
-	127,000
-	110,741
312,384	8,622,151
5,213	82,892
-	381,882
<u>\$ 2,726,065</u>	<u>\$ 18,397,031</u>

\$ 170,845	\$ 915,010
101,436	105,434
-	24,778
127,000	127,000
<u>399,281</u>	<u>1,172,222</u>

<u>372,511</u>	<u>8,682,278</u>
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5,213	82,892
-	381,882
34,861	375,509
-	18,202
43,749	43,749
500,000	500,000
341,721	341,721
-	1,774,355
359,839	847,725
161,850	161,850
495,829	2,055,686
134,342	134,342
-	67,637
(123,131)	1,756,981
<u>1,954,273</u>	<u>8,542,531</u>

<u>\$ 2,726,065</u>	<u>\$ 18,397,031</u>
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These financial statements should be read only in connection with the accompanying notes to financial statements.

**ELBERT COUNTY, COLORADO**  
**RECONCILIATION OF THE BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**December 31, 2016**

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - Total governmental funds	\$ 8,542,531
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	76,928,226
Deferred charge on debt refunding, net of accumulated amortization, are not financial resources and, therefore, are not reported in the funds.	183,877
Accrued interest payable is not included in the funds.	(58,940)
Noncurrent liabilities, including capital leases and bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(8,753,633)</u>
Net position of governmental activities	<u><u>\$ 76,842,061</u></u>

These financials statements should be read only in connection with  
the accompanying notes to financial statements.

**ELBERT COUNTY, COLORADO**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2016**

	<u>Special Revenue Funds</u>			
	<u>General</u>	<u>Road and Bridge</u>	<u>Human Services</u>	<u>Sales and Use Tax Fund</u>
<b>REVENUES</b>				
Taxes	\$ 6,269,537	\$ 2,980,905	\$ 445,692	\$ 2,340,473
Special assessments	-	-	-	-
Licenses and permits	919,168	-	-	-
Intergovernmental	315,140	2,972,721	3,986,588	-
Charges for services	1,471,900	167,527	-	-
Net investment income	15,625	6,711	1,029	-
Miscellaneous	430,471	12,571	129,336	-
Total revenues	<u>9,421,841</u>	<u>6,140,435</u>	<u>4,562,645</u>	<u>2,340,473</u>
<b>EXPENDITURES</b>				
Current				
General government	3,500,069	164,688	-	70,447
Public safety	3,959,881	-	-	-
Public works	-	4,863,836	-	46,000
Public health and welfare	59,359	-	4,457,193	-
Culture and recreation	190,746	-	-	-
Auxiliary services	141,443	-	-	-
Debt service				
Principal and interest	100	853,153	-	-
Bond issuance costs	-	-	-	-
Capital outlay	123,884	721,595	-	2,748,356
Total expenditures	<u>7,975,482</u>	<u>6,603,272</u>	<u>4,457,193</u>	<u>2,864,803</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,446,359</u>	<u>(462,837)</u>	<u>105,452</u>	<u>(524,330)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital lease financing	-	721,595	-	-
Insurance recoveries	15,562	11,512	-	-
Sale of general capital assets	3,547	17,378	-	-
Refunding bond proceeds	-	-	-	-
Payment to bond escrow agent	-	-	-	-
Transfers in	-	325,000	-	-
Transfers (out)	(509,908)	-	-	(365,000)
Total other financing sources (uses)	<u>(490,799)</u>	<u>1,075,485</u>	<u>-</u>	<u>(365,000)</u>
<b>NET CHANGE IN FUND BALANCES</b>	955,560	612,648	105,452	(889,330)
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>1,291,103</u>	<u>1,657,848</u>	<u>405,790</u>	<u>2,449,187</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 2,246,663</u>	<u>\$ 2,270,496</u>	<u>\$ 511,242</u>	<u>\$ 1,559,857</u>

<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 342,601	\$ 12,379,208
12,620	12,620
-	919,168
273,188	7,547,637
1,081,940	2,721,367
4,802	28,167
9,902	582,280
<u>1,725,053</u>	<u>24,190,447</u>
223,401	3,958,605
456,225	4,416,106
55,000	4,964,836
263,336	4,779,888
107,149	297,895
-	141,443
1,112,399	1,965,652
83,323	83,323
455,219	4,049,054
<u>2,756,052</u>	<u>24,656,802</u>
<u>(1,030,999)</u>	<u>(466,355)</u>
260,665	982,260
-	27,074
-	20,925
5,825,000	5,825,000
(5,825,000)	(5,825,000)
549,908	874,908
-	(874,908)
<u>810,573</u>	<u>1,030,259</u>
(220,426)	563,904
<u>2,174,699</u>	<u>7,978,627</u>
<u>\$ 1,954,273</u>	<u>\$ 8,542,531</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**ELBERT COUNTY, COLORADO**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2016**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - Total governmental funds	\$ 563,904
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported net of depreciation expense. This is the amount by which depreciation and gain on the disposal of assets exceeded capital outlay in the current period.

Capital outlay	4,049,054
Proceeds from disposal of assets	(20,925)
Loss on disposal of assets	(44,742)
Depreciation	(6,159,404)

The issuance of long-term debt (e.g. capital leases and bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt proceeds	(6,807,260)
Principal payments made	7,465,313

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

Change in compensated absences	(6,229)
Amortization of deferred loss on refunding	(17,173)
Legal settlement	(32,605)

Change in net position of governmental activities	<u><u>\$ (1,010,067)</u></u>
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These financials statements should be read only in connection with  
the accompanying notes to financial statements.

**ELBERT COUNTY, COLORADO**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**December 31, 2016**

	<b>Treasurer</b>	<b>Agency Funds Public Trustee</b>	<b>Sheriff's Office</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and investments	\$ 1,405,497	\$ 47,804	\$ 37,782	\$ 1,491,083
Accounts receivable	3,882	-	-	3,882
Total assets	\$ 1,409,379	\$ 47,804	\$ 37,782	\$ 1,494,965
<b>LIABILITIES</b>				
Due to other governments	\$ 1,122,750	\$ -	\$ -	\$ 1,122,750
Other liabilities	76,966	-	37,782	114,748
Outstanding checks payable	209,663	-	-	209,663
Escrow deposits held by public trustee	-	47,804	-	47,804
Total liabilities	\$ 1,409,379	\$ 47,804	\$ 37,782	\$ 1,494,965

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

ELBERT COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - DEFINITION OF REPORTING ENTITY

Elbert County, Colorado (County) is a political subdivision organized under the statutes of the State of Colorado. The County is governed by a three-member elected Board of County Commissioners (Board), responsible for setting policy, appointing administrative personnel, and the adoption of an annual budget in accordance with State statutes. The County provides the following services: public safety, health and welfare, fairground facilities construction and maintenance, construction and maintenance of roads and bridges, and general administrative services.

The County follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

Based on the application of these criteria, the County is financially accountable for the Elbert County Building Authority (Building Authority), Foxwood Estates and Foxwood Ranches Public Improvement District (Foxwood Estates) and Meadow Station Subdivision Public Improvement District (Meadow Station). These entities are reported as blended component units within the debt and debt service funds of the County. The Building Authority's capital assets are reflected in the County's capital assets and its debt is recorded in the County's long-term debt. The Building Authority was registered with the State of Colorado as a nonprofit corporation on November 11, 2005. The Building Authority is governed by a Board of Directors that consist of three members. The initial Board was established by the County Commissioners. Any future changes to Board members will be decided by a majority vote of the existing members. For both Foxwood Estates and Meadow Station, the County Commissioners are the Board of the Districts. In addition, the County is obligated in some manner for the debt of these Districts. The financial statements of the component units are found only in this document. Chaparral Valley Subdivision 2 does not have separate corporate powers and is also reported as part of the County's legal entity, as a debt service fund.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County conform to generally accepted accounting principles (GAAP) as applicable to government units. The following is a summary of the more significant policies.

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the primary government except for the fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

ELBERT COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The statement of net position reports all financial and capital resources of the primary government. The difference between the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the County is reported as net position. The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets, and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. The County has determined that expenditure-driven grants should be recognized as soon as all eligibility criteria have been met. For this purpose, the County considers grant revenues to be susceptible to accrual if they are collected within a year after the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes, sales taxes, and grant funding. All other revenue items are considered to be measurable and available only when cash is received by the County. Expenditures, other than interest on long-term obligations, interest on capital leases, environmental hazard monitoring and mitigation, and certain compensated absences, are recorded when the liability is incurred or the long-term obligation is due.

Major Funds - In the fund financial statements, the County reports the following major governmental funds:

- The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

ELBERT COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation  
(Continued)

Major Funds (Continued)

The County reports the following major special revenue funds:

- The *Road and Bridge Fund* accounts for the proceeds of restricted revenue to be used for maintaining road and bridge operations.
- The *Human Services Fund* accounts for federal and state resources received by the County for various social programs as well as a portion of the County property taxes designated for this purpose.
- The *Sales and Use Tax Fund* accounts for the revenue generated by the 1% sales and use tax on applicable sales and purchases within the County.

Non-Major Funds – The County reports three non-major governmental funds that account for debt service requirements of the following special improvement districts: 1) Chaparral Valley, 2) Meadows Station, and 3) Foxwood Estates. The County also reports one other debt service fund for lease mortgage revenue bond.

The County reports five non-major special revenue funds: 1) Law Enforcement Assistance, 2) Impact Assistance, 3) Public Health and Administration, 4) Retirement, and 5) Conservation Trust.

Additionally, *Agency Funds*, account for assets held by the County as an agent for other governmental units and individuals. The Agency Funds are custodial in nature and do not present results of operations or have a measurement focus.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets

In accordance with the State Budget Law, the County Commissioners hold public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level, which includes other financing uses, and lapses at year end. The County Commissioners can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. The General Fund did not appropriate amounts for a recognized subsequent event in 2015. That item was budgeted in the current year and is reported, for budget purposes, in this period. The Road and Bridge and Law Enforcement Assistance Funds do not budget or appropriate amounts related to entering into capital lease transactions, as entering into a capital lease does not provide for or use financial resources. The Bond Redemption Fund did not budget for the refinancing of the bond issues, as again, the refinancing does not provide for or use financial resources. The payments required under capital lease agreements are included in the appropriations resolution. During 2016, the Board of County Commissioners approved one budget amendments increasing appropriations \$299,993 for the Elbert County Law Enforcement Assistance Fund. The supplemental appropriation was funded by higher than expected fine and forfeiture revenues.

ELBERT COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances

*Cash and Investments* - Except for cash held by third parties (cash and investments with trustee), all cash is deposited with the County Treasurer. When funds are received, the accounts of the fund receiving the money are credited. When expenditures are made, the cash with Treasurer is reduced and the expenditures recorded. The Treasurer invests the funds to achieve the best possible return on the investment while ensuring the principal is maintained. All funds record cash and investments as cash with County Treasurer. Net investment income is allocated to the General, Conservation Trust and Impact Assistance Funds, in accordance with statutory requirements. Cash equivalents are defined as investments with original maturities of three months or less. Investments are stated at fair value, with the exception of the local government investment pool which is stated at the net asset value of the shares owned.

*Accounts Receivable* – Accounts receivable relate to amounts collected in 2017 which the County earned or were entitled to during the 2016 fiscal year. The County believes all amounts recorded are fully collectible.

*Inventories* - Inventories of supplies held for consumption by the General and Road and Bridge Funds are valued at average cost. The cost of inventory is recorded as an expenditure at the time individual inventory items are used. Reported inventories are equally offset by a fund balance reserve which indicates they do not constitute available spendable resources even though they are a component of assets.

*Capital Assets* - Capital assets, which include property, equipment, and infrastructure (e.g. roads and similar items), and intangibles (e.g. water rights), are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Capital assets of the County are depreciated using the straight-line method over the estimated economic useful lives:

Buildings	39 years
Equipment	3 - 15 years
Infrastructure	30 years

*Unearned Revenues* – Unearned revenues consist of advances received on grants and fees received in advance of performing services that are recognized as revenue when the terms of the grant are fulfilled or the services are performed.

*Compensated Absences* - The County has a policy that allows employees to accumulate unused vacation benefits up to certain maximum hours. Compensated absences are accrued when earned in the government-wide financial statements. A liability is reported in the governmental funds when payment is due.

ELBERT COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances (Continued)

*Long-Term Debt* – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

*Cost of Refunding* - In the government-wide financial statements, the deferred cost of refunding is being amortized using the effective interest method over the life of the defeased Certificates of Participation. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a deferred outflow of resources.

*Deferred Outflows/Inflows of Resources* – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The County reports deferred charges on refunding of bonds as deferred outflows of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and special assessments earned but levied for a subsequent period.

*Fund Balances* – The Nonmajor debt service fund, the Chaparral Valley Fund, has negative fund balance of \$123,131. As more fully described in Note 10, this is the result of an advance from the Road and Bridge Fund. As special assessments and support from the General Fund are received, and this advance is repaid Chaparral Valley's fund balance will increase.

In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed. Fund balances of the governmental funds are classified as follows:

*Nonspendable* – Amounts that cannot be spent either because they are in nonspendable form (i.e. inventories or prepaid items) or because they are legally or contractually required to be maintained intact.

ELBERT COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balances (Continued)

*Restricted* – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* – Amounts that can be used only for specific purposes determined by a formal action of the Board, as the Board is the highest level of decision-making body for the County. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

*Assigned* – Amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Only the Board may assign fund balances for specific purposes.

Amounts which are assigned for the General Fund represent fund balance related to certain Community and Development Services fees which are appropriated for the following year's expenditures. Included in this amount is \$67,637 of engineering costs which are anticipated to be expended in 2017.

*Unassigned* – All other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of County Commissioners has provided otherwise in its commitment or assignment actions.

Property Taxes

Property taxes are levied by the Board. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to put a tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the County's taxes and taxes for other entities within the County during the ensuing calendar year. The collection and remittance of taxes for other entities is accounted for in an agency fund. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November. Property taxes, net of estimated uncollectible taxes, are recorded initially as unearned revenue in the year they are levied and measurable. Property tax revenues are recorded as revenue in the year for which they are levied, in most instances the year in which collection occurs.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

ELBERT COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2016 are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 7,852,864
Cash and investments – Restricted	63,362
Total cash and investments - Statement of net position	<u>7,916,226</u>
Statement of fiduciary net position	1,491,083
	<u>\$ 9,407,309</u>

Cash and investments as of December 31, 2016 consist of the following:

Cash on hand	\$ 1,859
Deposits with financial institutions	8,116,496
Investments	1,288,954
Total cash and investments	<u>\$ 9,407,309</u>

Deposits with Financial Institutions

*Custodial credit risk-deposits.* The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Bank Commissioner is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2016, the County's cash deposits had a bank balance of \$8,269,281 and a carrying balance of \$8,116,496. At December 31, 2016, of the County's deposits \$750,000 was covered by the Federal Deposit Insurance Corporation (FDIC), \$7,366,496 was covered by the PDPA.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

ELBERT COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

The County has not adopted a formal investment policy, however, the County follows State statutes regarding investments.

*Concentration of credit risk.* The County generally limits its concentration of investments to certain money market funds and local government investment pools, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the County is not subject to concentration of custodial risk disclosure requirements or subject to investment custodial risk for investments that are in the possession of another party.

*Interest rate risk.* Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Commissioners. Such actions are generally associated with a debt service reserve or sinking fund requirements. Revenue bonds of local governments, corporate and bank securities, and guaranteed investment contracts not purchased with bond proceeds are limited to maturities of three years or less.

As of December 31, 2016, the County had the following investments:

	Weighted Average Maturity	Net Asset Value
COLOTRUST Plus+	56 days to reset 73 days to maturity	<u>\$ 1,288,954</u>

COLOTRUST

The County invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standards & Poor's. COLOTRUST does not have any unfunded commitments, redemption restrictions or redemption notice periods.

*Fair Value Hierarchy.* The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The County has no investments required to be reported under the fair value hierarchy.

ELBERT COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Restricted Cash and Investments

The County considers cash related to contingencies to be restricted by the State of Colorado statutes. Those amounts total \$18,202 at December 31, 2016. The County also considers cash held for special assessment debt to be restricted to payment of debt service. At December 31, 2016, restricted cash related to special assessments totaled \$45,160. Restricted cash and investments at December 31, 2016 totaled \$63,362.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 was as follows:

	Balance at December 31, 2015	Increases	Decreases	Balance at December 31, 2016
Primary Government				
Capital assets, not being depreciated:				
Water rights	\$ 4,100,445	\$ -	\$ -	\$ 4,100,445
Land	709,612	-	-	709,612
Construction in progress	349,774	2,748,357	(3,098,131)	-
Total capital assets, not being depreciated	<u>5,159,831</u>	<u>2,748,357</u>	<u>(3,098,131)</u>	<u>4,810,057</u>
Capital assets, being depreciated:				
Buildings	11,254,230	81,898	-	11,336,128
Equipment	11,589,839	1,218,800	(1,098,163)	11,710,476
Infrastructure	170,690,324	3,032,463	-	173,722,787
Total capital assets, being depreciated	<u>193,534,393</u>	<u>4,333,161</u>	<u>(1,098,163)</u>	<u>196,769,391</u>
Less accumulated depreciation for:				
Buildings	(4,909,153)	(254,161)	-	(5,163,314)
Equipment	(7,982,252)	(1,368,603)	1,098,163	(8,252,692)
Infrastructure	(106,698,576)	(4,536,640)	-	(111,235,216)
Total accumulated depreciation	<u>(119,589,981)</u>	<u>(6,159,404)</u>	<u>1,098,163</u>	<u>(124,651,222)</u>
Total capital assets, being depreciated, net	<u>73,944,412</u>	<u>(1,826,243)</u>	<u>-</u>	<u>72,118,169</u>
Capital assets, net	<u>\$ 79,104,243</u>	<u>\$ 922,114</u>	<u>\$ (3,098,131)</u>	<u>\$ 76,928,226</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$ 23,020
Public safety	491,527
Public health and welfare	17,392
Public works	5,595,711
Culture and recreation	31,754
Total depreciation expense	<u>\$ 6,159,404</u>

ELBERT COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the County's long-term obligations for the year ended December 31, 2016:

	Balance at December 31, 2015	Additions	Reductions	Balance at December 31, 2016	Due Within One Year
Governmental Activities:					
Capital lease obligations	\$ 2,670,994	\$ 982,260	\$ 1,199,622	\$ 2,453,632	\$ 873,737
Special assessment debt	80,000	-	80,000	-	-
General obligation debt	625,000	-	195,000	430,000	50,000
Lease mortgage revenue bond	5,825,000	-	5,825,000	-	-
Refunding lease mortgage revenue bond	-	5,825,000	160,691	5,664,309	326,001
Titan Missile Complex	15,000	-	5,000	10,000	5,000
Compensated absences	189,463	247,609	241,380	195,692	39,000
	<u>\$ 9,405,457</u>	<u>\$ 7,054,869</u>	<u>\$ 7,706,693</u>	<u>\$ 8,753,633</u>	<u>\$ 1,293,738</u>

The activity of the County's long-term obligations is as follows:

Capital Leases

The County has entered into several lease agreements as lessee for financing the acquisition of certain equipment and software as described below. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. In addition, the lease purchase agreements do not constitute general obligation debts of the County as defined by Colorado Revised Statutes as there are annual appropriation clauses in the lease agreements.

The assets acquired through capital leases as of December 31, 2016 are as follows:

	<u>Governmental Activities</u>
Equipment and software	\$ 5,873,084
Less accumulated depreciation	<u>(3,038,465)</u>
	<u>\$ 2,834,619</u>

Following is a summary of terms relating to the various capital lease agreements.

On July 11, 2012, the County entered into a capital lease obligation to purchase a 2012 motor grader valued at \$262,038. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$189,578. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$9,993, consisting of principal and interest with a rate of 2.55%.

ELBERT COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Capital Leases (Continued)

On July 11, 2012, the County entered into a capital lease obligation to purchase a 2012 motor grader with snow wings valued at \$256,483. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$184,083. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$9,704, consisting of principal and interest with a rate of 2.25%.

On November 14, 2012, the County entered into a capital lease obligation to purchase a 2012 motor grader which was fully financed at a value of \$256,978. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$13,562, consisting of principal and interest with a rate of 2.30%.

On December 12, 2012, the County entered into a capital lease obligation to purchase a motor grader valued at \$255,135. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$118,165. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$6,301, consisting of principal and interest with a rate of 2.75%.

On May 31, 2012, the County entered into a capital lease obligation to purchase two 2013 dump/snow trucks valued at \$305,078. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$285,078. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$15,359, consisting of principal and interest with a rate of 2.90%.

On June 17, 2013, the County entered into a capital lease obligation to purchase a motor grader. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$97,242. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$5,191, consisting of principal and interest with a rate of 2.80%.

On June 17, 2013, the County entered into a capital lease obligation to purchase a motor grader. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$99,937. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$5,335, consisting of principal and interest with a rate of 2.80%.

On August 28, 2013, the County entered into a capital lease obligation to purchase a four wheel drive loader. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$77,225. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$4,171, consisting of principal and interest with a rate of 3.30%.

On October 1, 2013, the County entered into a capital lease obligation to purchase a motor grader, which was fully financed at a value of \$269,022. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$14,363, consisting of principal and interest with a rate of 2.80%.

ELBERT COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Capital Leases (Continued)

On June 4, 2013, the County entered into a capital lease obligation to purchase a motor grader, which was fully financed at a value of \$84,607. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$4,495, consisting of principal and interest with a rate of 2.59%.

On September 20, 2013, the County entered into a capital lease obligation to purchase two International dump trucks, which were fully financed at a value of \$437,908. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$23,841, consisting of principal and interest with a rate of 3.30%.

On May 19, 2014, the County entered into a capital lease obligation to purchase a motor grader. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$91,220. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$4,837, consisting of principal and interest with a rate of 2.50%.

On May 19, 2014, the County entered into a capital lease obligation to purchase a motor grader. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$91,220. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$4,837, consisting of principal and interest with a rate of 2.50%.

On May 19, 2014, the County entered into a capital lease obligation to purchase a motor grader. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$91,220. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$4,837, consisting of principal and interest with a rate of 2.50%.

On May 19, 2014, the County entered into a capital lease obligation to purchase a motor grader. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$91,220. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$4,837, consisting of principal and interest with a rate of 2.50%.

On January 10, 2015, the County entered into a capital lease obligation to purchase seven fully equipped police vehicles, which were fully financed at a value of \$356,000. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$19,088, consisting of principal and interest with a rate of 2.67%.

On April 8, 2015, the County entered into a capital lease obligation to purchase a motor grader which were fully financed at a value of \$282,737. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$15,165, consisting of principal and interest with a rate of 3.00%.

On July 1, 2015, the County entered into a capital lease obligation to purchase a motor grader valued at \$280,841. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$113,841. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$6,106, consisting of principal and interest with a rate of 3.00%.

ELBERT COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Capital Leases (Continued)

On May 15, 2015, the County entered into a capital lease obligation to purchase a dump truck with a snowplow, which was fully financed at a value of \$200,054. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$10,754, consisting of principal and interest with a rate of 2.77%.

On May 15, 2015, the County entered into a capital lease obligation to purchase a dump truck, which was fully financed at a value of \$162,855. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$8,754, consisting of principal and interest with a rate of 2.77%.

On October 28, 2015, the County entered into a capital lease obligation to purchase a motor grader valued at \$280,841. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$110,841. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$5,945, consisting of principal and interest with a rate of 3.00%.

On October 28, 2015, the County entered into a capital lease obligation to purchase a motor grader valued at \$280,841. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$108,841. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$5,838, consisting of principal and interest with a rate of 3.00%.

On February 29, 2016, the County entered into a capital lease obligation to purchase a motor grader valued at \$300,763. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$148,263. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$7,998, consisting of principal and interest with a rate of 3.25%.

On February 29, 2016, the County entered into a capital lease obligation to purchase a motor grader valued at \$299,410. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$146,910. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$7,925, consisting of principal and interest with a rate of 3.25%.

On June 29, 2016, the County entered into a capital lease obligation to purchase a loader valued at \$167,602. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$9,042, consisting of principal and interest with a rate of 3.25%.

On May 1, 2016, the County entered into a capital lease obligation to purchase three fully equipped police vehicles, which were fully financed at a value of \$157,421. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$8,462 consisting of principal and interest with a rate of 2.80%.

On July 25, 2016, the County entered into a capital lease obligation to purchase two fully equipped police vehicles, which were fully financed at a value of \$103,244. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$5,550 consisting of principal and interest with a rate of 2.80%.

ELBERT COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Capital Leases (Continued)

On December 28, 2016, the County entered into a capital lease obligation to purchase a motor grader valued at \$299,410. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$129,410. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$6,981, consisting of principal and interest with a rate of 3.25%.

On December 28, 2016, the County entered into a capital lease obligation to purchase a motor grader valued at \$299,410. The County traded in existing equipment as part of the planned rotation of equipment and financed the remaining \$129,410. The lease is on a quarterly basis for 20 consecutive quarterly periods with payments of \$6,981, consisting of principal and interest with a rate of 3.25%.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2016, were as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Governmental</u> <u>Activities</u>
2017	\$ 934,900
2018	713,731
2019	517,716
2020	332,604
2021	84,505
Total minimum lease payments	2,583,456
Less amounts representing interest	(129,824)
Present value of minimum lease payments	\$ 2,453,632

Special Assessment Bonds

The following Special Assessment Bonds are to be serviced by special assessments levied against real property in the County, which is specifically benefited by the improvements. However, the County has accepted responsibility for a portion of the debt service payments related to these special assessments.

The Chaparral Valley 2 Subdivision Local Improvement District Special Assessment Bonds, dated January 10, 2003 were issued in the principal amount of \$350,000. The Road and Bridge Fund advanced the Chaparral Valley Debt Service Fund \$127,000 for the purpose of retiring the remaining debt. The prepayment option for these bonds was elected and no principal is outstanding at December 31, 2016.

General Obligation Bonds

The Meadows Station Subdivision Public Improvement District General Obligation Bonds, dated December 23, 2004 were issued in the principal amount of \$625,000. Principal and interest, computed at a variable rate of 3.15% - 5.25% per annum, is payable semi-annually on June 1 and December 1, and maturing December 1, 2024, except if redeemed prior thereof. The bonds are subject to prepayment prior to maturity by the County on December 1, 2006, and each December 1 thereafter. The principal amount outstanding at December 31, 2016 was \$235,000.

ELBERT COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds (Continued)

The Foxwood Estates and Foxwood Ranches Public Improvement District General Obligation Bonds, dated January 27, 2005 were issued in the principal amount of \$345,000. Principal and interest are computed at a variable rate of 3.25% - 5.50% per annum and maturing December 1, 2029. The principal amount outstanding at December 31, 2016 was \$195,000.

Lease Revenue Refunding Bonds

On March 1, 2016, the County entered into a Mortgage and Loan agreement for \$5,825,000 to refinance the Elbert County, Colorado Lease Mortgage Revenue Bonds, Series 2009 issued by the Building Authority. The Building Authority issued the Elbert County Building Authority Lease Revenue Refunding Bond, Series 2016. The purpose of this refunding was to reduce its total debt service payments \$1,951,487, attain a decreased interest rate, the removal of certain bond covenants and requirements including the requirement to maintain \$500,000 of reserve cash, and the elimination of a balloon payment in 2028. Principal and interest payments, including an annual rate of 2.610%, total \$235,863 and are due on March 1 and September 1 each year with a maturity date of March 1, 2031. Any unpaid principal on the bonds may be prepaid in whole or in part by the County on any payment date on or after September 1, 2021 at an amount equal to 100% of the principal amount being prepaid, plus accrued interest to the prepayment date. The defeased Lease Mortgage Revenue Bonds are not considered a liability of the County since sufficient funds in the amount of \$5,977,937 were deposited into an Escrow Fund and invested in U.S. government securities for the purpose of paying the principal and interest of the defeased bonds. The Elbert County, Colorado Lease Mortgage Revenue Bonds, Series 2009 were paid in full on May 1, 2016. The principal amount outstanding at December 31, 2016 was \$5,664,309.

Lease Mortgage Revenue Bond, Series 2009

On October 1, 2009, the County entered into a Mortgage and Loan agreement for \$7,300,000 to refinance the Series 2005 Certificates of Participation (COPs) issued by the Building Authority and to receive additional funds to complete certain projects. originally contemplated in the issuance of the COPs. As discussed in the preceding paragraph, these bonds were refinanced during 2016. As part of this refinancing transaction \$500,000 of previously restricted bond reserve funds were released.

Year Ending <u>December 31,</u>	Governmental Activities		
	Principal	Interest	Total
2017	\$ 376,001	\$ 167,712	\$ 543,713
2018	384,565	156,749	541,314
2019	398,354	145,509	543,863
2020	407,374	129,065	536,439
2021	416,631	121,705	538,336
2022-2026	2,035,749	431,427	2,467,176
2027-2031	2,075,635	146,159	2,221,794
	<u>\$ 6,094,309</u>	<u>\$ 1,298,326</u>	<u>\$ 7,392,635</u>

ELBERT COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Compensated Absences

According to the County's Compensated Absences Policy, the maximum hours of vacation accrual for all employees, except for Sherriff, Patrol and Dispatch, are 72 hours. The Sherriff, Patrol and Dispatch may accrue up to 80 hours of vacation annually.

Reclamation of Titan I Missile Complex

In 2011, Elbert County was alerted that the site had been disturbed by an unauthorized contractor. Since that time, Elbert County staff has been working closely with the Colorado Department of Public Health and Environment (CDPHE) to develop a remediation plan for the disturbance. During 2013, CDPHE issued a Compliance Order to the contractor and to the County and assessed a \$5,000 penalty. Also during 2013, the contractor restored the landfill and submitted a work completion report which was accepted by CDPHE. Under the terms of the plan, management expects the County to be required to monitor the site for five years at a cost not to exceed \$5,000 per year. Elbert County will be requesting that the contractor reimburse the County for any and all costs related to their unauthorized excavation. The current amount of this liability at December 31, 2016 is \$10,000.

The long-term obligations of the County have been and will continue to be liquidated by various County funds. The fund which pays an employee is used to liquidate compensated absences of the governmental activities. These funds include the General, Road and Bridge, Law Enforcement Assistance and Human Services Funds. In addition, the Road and Bridge and Law Enforcement Assistance Funds service the capital leases. The General Fund services a capital lease and the reclamation of the Titan I Missile Complex. The Special Assessment Debt, the General Obligation Debt and the 2016 Refunding Lease Mortgage Revenue Bonds, are serviced by the specific funds that were established with the sole purpose of liquidating the debt obligation.

NOTE 6 - NET POSITION

As also described in Note 2, net position in the Government-wide Statement of Net Position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulators of other governments. The County has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of capital leases and bonds that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2016, the County had a net investment in capital assets of \$68,994,162 calculated as follows:

	<u>Governmental Activities</u>
Capital assets, net	\$ 76,928,226
Loss on refunding (net of accumulated amortization)	183,877
Long-term obligations	<u>(8,117,941)</u>
Net investment in capital assets	<u>\$ 68,994,162</u>

ELBERT COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - NET POSITION (CONTINUED)

Restricted assets include restrictions for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The County had restricted net position of \$1,279,181 as of December 31, 2016. The County's unrestricted net position as of December 31, 2016 is \$6,568,718.

NOTE 7 - PENSION PLAN

The County has adopted a multiple employer defined contribution pension plan administered by Colorado Counties Officials and Employees Retirement Association (CCOERA) which covers substantially all employees meeting the minimum eligibility requirements of 20 or more hours of work per week and one full year of continuous service. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees must match the employer contributions which may range from 3% to 6% of gross wages less overtime pay. An employee may contribute an additional 10% of eligible compensation after taxes or defer up to the lesser of \$8,500 or 25% of gross wages until retirement. Withdrawal from the Plan may occur only upon retirement, death, disability or termination of employment.

Employees vest 100% in personal contributions and 20% for each year of employment in employer contributions. Unvested employer contributions forfeited at termination revert to the County. The County applied participant forfeitures of \$9,418 to reduce the County share of contributions.

Both the County and the employees contributed 4% of eligible gross wages to the Plan during 2016. During the year ended December 31, 2016, participants made additional voluntary contributions, totaling \$79,541. Additionally, certain participants participated in the Voluntary Deferred Compensation Plan during 2016. Information regarding the pension plan contributions for 2016 is as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total payroll	\$ 6,783,320	\$ 6,654,577	\$ 6,508,918
Base salary - eligible	5,445,000	5,630,900	5,308,925
County contribution	217,800	212,130	208,538
Employee contribution	217,800	225,236	212,357

NOTE 8 - DEFERRED COMPENSATION PLAN

The County has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is also administered by CCOERA. Participation in the plan is optional for all employees. The plan allows the employees to defer a portion of their salary until future years.

ELBERT COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Operating Leases

The County leases equipment and software under operating leases that expire 2021. Total rental expense for the year ended December 31, 2016 was \$79,503. The future minimum annual rental commitments under these leases are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Minimum</u> <u>Lease</u> <u>Payments</u>
2017	\$ 36,767
2018	163,073
2019	152,379
2020	149,976
2021	136,597
Total	<u>\$ 638,792</u>

Litigation

The County has been named in various pending or threatened litigation, claims or assessments. The ultimate outcome/resolution of these matters is not known at this time. The County is monitoring the progress of these matters and has referred various matters to the County's insurance carrier for consultation and representation. Insurance could participate in defense, settlement and claims costs subject to the terms and conditions of the insuring agreements. At December 31, 2016, the County does not believe the resolution of these matters will have a material adverse effect on the financial condition of the government.

Grants

The government participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

NOTE 10 - TRANSFERS/INTERFUND RECEIVABLES & PAYABLES

The transfer from the General Fund to the Nonmajor Governmental Funds is for the per capita health payments mandated by statute and for debt service payments. The payment from the Sales and Use Tax Fund to the Road and Bridge Fund was for road improvement projects and to the Nonmajor governmental fund related to the assigning of capital assets to different County activities.

ELBERT COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE 10 - TRANSFERS/INTERFUND RECEIVABLES & PAYABLES (CONTINUED)

Transfers Out	Transfers In		
	Road and Bridge Fund	Nonmajor Governmental Funds	Total
General Fund	\$ -	\$ 509,908	\$ 509,908
Sales and Use Tax	325,000	40,000	365,000
	\$ 325,000	\$ 549,908	\$ 874,908

Interfund receivables/payables are as follows at December 31, 2016:

	Interfund Receivables	Interfund Payables
General Fund	\$ 19,064	\$ -
Road and Bridge	83,584	-
Human Services	-	3,998
Nonmajor Governmental Funds	2,786	101,436
	\$ 105,434	\$ 105,434

In addition, the Nonmajor debt service fund, the Chaparral Valley Fund, owes the Road and Bridge Fund \$127,000, which is categorized as an advance between funds. The County undertook this loan in order to call the special assessment bond principal early, thus saving a substantial amount of interest. This loan will be repaid as Chaparral Valley collects special assessments or receives transfers from the General Fund. It is anticipated that the loan will be repaid in eight years. The loan bears no interest.

The County reports interfund balances that are representative of lending/borrowing arrangements between funds in the fund financial statements as due to/from other funds. The interfund balances have been eliminated in the government-wide statements.

NOTE 11 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, thefts of, damage to or destruction of assets; errors or omissions; injuries to employees, or acts of God. The County is one of several counties which are members of the Colorado Counties Casualty and Property Pool and the County Workers' Compensation Pool (Pools). The Pools are organizations created by intergovernmental agreement. The Colorado Counties Casualty and Property Pool provides general liability, automobile liability, property and auto physical damage to its members. The County Workers' Compensation Pool provides workers' compensation coverage to its members.

ELBERT COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE 11 - RISK MANAGEMENT (CONTINUED)

The County pays annual contributions to the Pools for its property and casualty insurance and its workers' compensation insurance. The County has a \$500 deductible per claim for its property insurance. The intergovernmental agreements which formed the Pools provides that the Pools will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pools will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

Each pool is managed by an independent risk manager/claims administrator who reports to the Pool Board of Directors. Each member's contribution to the respective pool is determined on factors including, but not limited to, the Pool's claim experience, premium costs, cost of administration and other operating expenses, the number of participants, the adequacy of both operating and reserve funds and other factors effecting the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

The County's contributions as a percentage of pool revenue are less than 3%.

The Pools provide the following types of coverage:

	Self-Insured Retentions <u>(Per Occurrence)</u>	Excess Insurance Limits <u>(Per Occurrence)</u>
Liability	\$ 250,000	\$ 10,000,000
Property	\$ 150,000	\$ 100,000,000
Workers' compensation	\$ 500,000 to statutory limit	

Settled claims have not exceeded coverage provided by the Pools in any of the past three fiscal years. The County has shared in the cost of certain settlements in the last three years.

NOTE 12 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments. Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue. TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The County's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation. Accordingly, the possibility exists that the County's interpretation of certain TABOR provisions may subsequently be determined to be incorrect.

ELBERT COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE 12 - TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

This could result in a potential refund of revenue unless voters approve retention of such revenue. The ultimate outcome of these matters cannot presently be determined and no provision for any liability for a refund of revenue has been made in the financial statements.

On November 5, 1996, a majority of the County's electors authorized the County to retain or expend all revenue derived from building and other development related fees, exactions and permits; and revenues, cost reimbursements and grants from other governments during 1996 and each subsequent year. The County is authorized to spend all such revenues on road improvements, growth management, public safety and such other costs as may be directly related to growth unless otherwise provided by law, agreement, or grant, without regard to any limitation contained in Article X, Section 20 of the Colorado constitution and without limiting in any year the amount of other revenues that may be collected and spent by the County under Article X, Section 20 of the Colorado constitution or any other law; provided, however, that no property tax mill levy shall be increased at any time, nor shall any new tax be imposed, without consent of the voters approving any such increase or new tax.

NOTE 13 - NEW ACCOUNTING PRONOUNCEMENTS

During 2016, the County implemented the following GASB pronouncements:

GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. This statement provides guidance for determining a fair value measurement for financial reporting purposes and for applying fair value to certain investments and disclosures related to fair value measurements. This pronouncement resulted in expanded footnote disclosures around fair value. The County had no investments required to be reported under fair value hierarchy.

GASB Statement No.73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This statement establishes standards of accounting and financial reporting for defined benefit pensions and defined contribution pensions that are provided to the employees not within the scope of Statement 68. Requirements are also established for the assets accumulated for the purposes of providing pensions through defined benefit pension plans that are not administered through trusts that meet the criteria within the scope of Statement 67. This pronouncement did not impact the County.

GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement requires state and local governments to disclose tax abatement agreements entered by itself or other governments that reduce the reporting government's tax revenues. The reduction in tax revenues can result from an agreement between one or more governments and an individual entity in which one or more governments promise to forgo tax revenues to which they are otherwise entitled. The individual or entity promises to take specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. Neither the County or any other government has entered into an agreement which will result in an abatement of Elbert County taxes.

ELBERT COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE 13 – NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

In addition, the GASB has issued several pronouncements prior to December 31, 2016 that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and Governmental Accounting Standards Board Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* These Statements replace the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. These statements establish new accounting and financial reporting requirements for OPEB plans. Due to the nature of its pension plans, and the lack of any OPEB plans, management does not believe that implementation of this statement will have a material effect on these financial statements.

Governmental Accounting Standards Board Statement No. 83 *Certain Asset Retirement Obligations*. In November of 2016, the GASB issued Statement No. 83. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. Management is currently determining the effects of the implementation of this statements on the County's financial records.

Governmental Accounting Standards Board Statement No. 84 *Fiduciary Activities*. In January of 2017 the GASB issued Statement No. 84. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. Management is currently determining the effects of the implementation of this statement on the County's financial records.

Governmental Accounting Standards Board Statement No. 85 *Omnibus 2017*. In March of 2017 the GASB issued Statement No. 85. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

ELBERT COUNTY, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE 13 – NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The provisions of this Statement are effective for periods beginning after June 15, 2017. Earlier application is encouraged. Management is currently determining the effects of the implementation of this statements on the County's financial records.

NOTE 14 - SUBSEQUENT EVENTS

During 2017, the County entered into a contract to purchase additional office space. The cost of the office space is \$495,801. Of this amount \$500,000 of this purchase and remodel of the building will be financed with funds in the Bond Redemption Fund. As more fully described in Note 5, these funds were released from restriction with the refinancing of the Lease Mortgage Revenue Bond, Series 2009.

During June, 2017, the County entered into a series of capital leases for the purchase of five pieces of equipment. The principal balance of the leases total \$1,144,041. Payments of principal and interest, at a rate of 2.83%, are due quarterly with the last payment due June 1, 2022.

**REQUIRED SUPPLEMENTARY INFORMATION**

**ELBERT COUNTY, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**NON GAAP BUDGET BASIS**  
**GENERAL FUND**  
**Year Ended December 31, 2016**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Taxes	\$ 6,017,449	\$6,269,537	\$ 252,088
Licenses and permits	565,050	919,168	354,118
Intergovernmental	412,223	315,140	(97,083)
Charges for service	1,254,500	1,471,900	217,400
Net investment income	1,900	15,625	13,725
Miscellaneous	418,463	430,471	12,008
Total revenues	<u>8,669,585</u>	<u>9,421,841</u>	<u>752,256</u>
<b>EXPENDITURES</b>			
General government	3,907,153	3,650,069	257,084
Public safety	3,969,749	3,959,881	9,868
Public health and welfare	152,000	59,359	92,641
Culture and recreation	207,245	190,746	16,499
Auxiliary services	140,906	141,443	(537)
Debt Service	100	100	-
Capital outlay	124,000	123,884	116
Total expenditures	<u>8,501,153</u>	<u>8,125,482</u>	<u>375,671</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>168,432</u>	<u>1,296,359</u>	<u>1,127,927</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of assets	-	3,547	3,547
Insurance recoveries	-	15,562	15,562
Transfers in	-	-	-
Transfers (out)	(611,463)	(509,908)	101,555
Total other financing sources (uses)	<u>(611,463)</u>	<u>(490,799)</u>	<u>120,664</u>
<b>NET CHANGE IN FUND BALANCE-NON GAAP</b>	<u>\$ (443,031)</u>	805,560	<u>\$ 1,248,591</u>
<b>PRESPECTIVE DIFFERENCES</b>			
Budgeted expenditures			
Prior year subsequent events budgeted in the current fiscal year		<u>150,000</u>	
<b>NET CHANGE IN FUND BALANCE-GAAP BASIS</b>		955,560	
<b>FUND BALANCE - BEGINNING OF YEAR</b>		<u>1,291,103</u>	
<b>FUND BALANCE - END OF YEAR</b>		<u>\$2,246,663</u>	

**ELBERT COUNTY, COLORADO**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**Year Ended December 31, 2016**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Taxes			
Property taxes	\$ 4,944,240	\$ 4,876,475	\$ (67,765)
Specific ownership taxes	1,066,209	1,383,465	317,256
Cigarette taxes	7,000	9,597	2,597
Total taxes	<u>6,017,449</u>	<u>6,269,537</u>	<u>252,088</u>
Licenses and permits			
Building and zoning fees	564,300	918,410	354,110
Liquor licenses	750	758	8
Total licenses and permits	<u>565,050</u>	<u>919,168</u>	<u>354,118</u>
Intergovernmental revenues			
VALE grant	56,243	61,243	5,000
Other intergovernmental revenues	355,980	253,897	(102,083)
Total intergovernmental revenues	<u>412,223</u>	<u>315,140</u>	<u>(97,083)</u>
Charges for services			
Sheriff	45,500	106,799	61,299
Clerk	620,000	753,517	133,517
Treasurer	440,000	533,933	93,933
Public trustee fees	9,500	39,218	29,718
Other	139,500	38,433	(101,067)
Total charges for services	<u>1,254,500</u>	<u>1,471,900</u>	<u>217,400</u>
Interest income	<u>1,900</u>	<u>15,625</u>	<u>13,725</u>
Miscellaneous revenues			
Fair receipts	62,500	86,004	23,504
Administrative cost allocation	295,143	277,654	(17,489)
Other	60,820	66,813	5,993
Total miscellaneous revenues	<u>418,463</u>	<u>430,471</u>	<u>12,008</u>
Other financing sources			
Sale of assets	-	3,547	3,547
Insurance recoveries	-	15,562	15,562
Total other financing sources	<u>-</u>	<u>19,109</u>	<u>19,109</u>
Total revenues	<u>\$ 8,669,585</u>	<u>\$ 9,440,950</u>	<u>\$ 771,365</u>

**ELBERT COUNTY, COLORADO**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**NON GAAP BUDGET BASIS**  
**GENERAL FUND**  
**Year Ended December 31, 2016**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>EXPENDITURES</b>			
General government			
Office of commissioners	\$ 255,576	\$ 441,213	\$ (185,637)
County attorney	545,516	151,484	394,032
Clerk and recorder	404,256	403,188	1,068
Clerk and recorder - Elections	160,500	139,740	20,760
County treasurer	193,924	213,342	(19,418)
County assessor	497,271	403,492	93,779
Maintenance of grounds and buildings	156,895	138,324	18,571
Central data processing	388,967	446,648	(57,681)
Other administration	618,478	616,649	1,829
Budget/payroll	142,928	153,147	(10,219)
District attorney	542,842	542,842	-
Total general government	<u>3,907,153</u>	<u>3,650,069</u>	<u>257,084</u>
Public safety			
County sheriff	3,084,376	3,095,640	(11,264)
County coroner	141,561	124,055	17,506
Judicial center	153,170	105,502	47,668
Building inspection	1,440	583	857
Community development services	497,775	523,375	(25,600)
Emergency communications and operations	91,427	110,726	(19,299)
Total public safety	<u>3,969,749</u>	<u>3,959,881</u>	<u>9,868</u>
Public health and welfare	<u>152,000</u>	<u>59,359</u>	<u>92,641</u>
Culture and recreation	207,245	190,746	16,499
Auxiliary services	140,906	141,443	(537)
Debt service	100	100	-
Capital outlay	124,000	123,884	116
Transfers out	611,463	509,908	101,555
Total expenditures	<u>\$ 9,112,616</u>	<u>\$ 8,635,390</u>	<u>\$ 477,226</u>

**ELBERT COUNTY, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**NON GAAP BUDGET BASIS**  
**ROAD AND BRIDGE SPECIAL REVENUE FUND**  
**Year Ended December 31, 2016**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	\$ 3,021,620	\$ 2,980,905	\$ (40,715)
Intergovernmental	2,500,000	2,972,721	472,721
Charges for services	114,000	167,527	53,527
Net investment income	193	6,711	6,518
Miscellaneous	-	12,571	12,571
Total revenues	5,635,813	6,140,435	504,622
 <b>EXPENDITURES</b>			
General government	73,766	164,688	(90,922)
Public works	5,265,848	4,863,836	402,012
Debt service	893,250	853,153	40,097
Total expenditures	6,232,864	5,881,677	351,187
 <b>EXCESS OF REVENUES OVER (UNDER)</b>			
<b>EXPENDITURES</b>	(597,051)	258,758	855,809
 <b>OTHER FINANCING SOURCES</b>			
Sale of general capital assets	-	17,378	17,378
Insurance proceeds	-	11,512	11,512
Transfers in	325,000	325,000	-
Transfers out	(52,400)	-	52,400
Total other financing sources	272,600	353,890	81,290
 <b>NET CHANGE IN FUND BALANCE-NON GAAP</b>	\$ (324,451)	612,648	\$ 937,099
 <b>PRESPECTIVE DIFFERENCES</b>			
Capital lease transactions			
Proceeds		721,595	
Capital outlay related to capital leases		(721,595)	
 <b>NET CHANGE IN FUND BALANCE-GAAP BASIS</b>		612,648	
 <b>FUND BALANCE - BEGINNING OF YEAR</b>		1,657,848	
 <b>FUND BALANCE - END OF YEAR</b>		\$ 2,270,496	

**ELBERT COUNTY, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**HUMAN SERVICES SPECIAL REVENUE FUND**  
**Year Ended December 31, 2016**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Taxes	\$ 446,133	\$ 445,692	\$ (441)
Intergovernmental	5,178,606	3,986,588	(1,192,018)
Other	-	129,336	129,336
Net investment income	-	1,029	1,029
Total revenues	<u>5,624,739</u>	<u>4,562,645</u>	<u>(1,062,094)</u>
<b>EXPENDITURES</b>			
Public health and welfare	<u>5,616,781</u>	<u>4,457,193</u>	<u>1,159,588</u>
Total expenditures	<u>5,616,781</u>	<u>4,457,193</u>	<u>1,159,588</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>			
	<u>\$ 7,958</u>	105,452	<u>\$ 97,494</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			
		<u>405,790</u>	
<b>FUND BALANCE - END OF YEAR</b>			
		<u>\$ 511,242</u>	

**ELBERT COUNTY, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**SALES AND USE TAX SPECIAL REVENUE FUND**  
**Year Ended December 31, 2016**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>			
Sales tax	\$ 770,000	\$ 1,113,348	\$ 343,348
Use tax	1,150,000	1,227,125	77,125
Total revenues	<u>1,920,000</u>	<u>2,340,473</u>	<u>420,473</u>
<b>EXPENDITURES</b>			
General government	57,600	70,447	(12,847)
Public Works	20,000	46,000	(26,000)
Capital outlay	3,175,000	2,748,356	426,644
Total expenditures	<u>3,252,600</u>	<u>2,864,803</u>	<u>387,797</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,332,600)</u>	<u>(524,330)</u>	<u>808,270</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)	(325,000)	(365,000)	(40,000)
Total other financing sources (uses)	<u>(325,000)</u>	<u>(365,000)</u>	<u>(40,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1,657,600)</u>	(889,330)	<u>\$ 768,270</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>		<u>2,449,187</u>	
<b>FUND BALANCE - END OF YEAR</b>		<u>\$ 1,559,857</u>	

ELBERT COUNTY, COLORADO  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2016

In accordance with the State Budget Law, the County Commissioners hold public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level, which includes other financing uses, and lapses at year end. The County Commissioners can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

**SUPPLEMENTARY INFORMATION**

**ELBERT COUNTY, COLORADO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2016**

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Cash and investments with Treasurer	\$ 1,764,085	\$ 498,498	\$ 2,262,583
Cash and investments with Treasurer - Restricted	-	45,160	45,160
Accounts receivable	36,638	1,174	37,812
Due from other funds	-	2,786	2,786
Assessments receivable	-	60,127	60,127
Property taxes receivable	228,478	83,906	312,384
Prepaid expenses	5,213	-	5,213
<b>TOTAL ASSETS</b>	<u><u>\$ 2,034,414</u></u>	<u><u>\$ 691,651</u></u>	<u><u>\$ 2,726,065</u></u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 170,845	\$ -	\$ 170,845
Due to other funds	101,436	-	101,436
Advances from other funds	-	127,000	127,000
Total liabilities	<u>272,281</u>	<u>127,000</u>	<u>399,281</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes and assessments	<u>228,478</u>	<u>144,033</u>	<u>372,511</u>
 <b>FUND BALANCES</b>			
Nonspendable			
Prepaid expenses	5,213	-	5,213
Restricted			
Emergency reserves	34,861	-	34,861
Debt service	-	43,749	43,749
Capital projects	-	500,000	500,000
Conservation trust	341,721	-	341,721
Assigned			
Public safety	161,850	-	161,850
Public health	359,839	-	359,839
Capital projects	495,829	-	495,829
Retirement	134,342	-	134,342
Unassigned			
Debt service	-	(123,131)	(123,131)
Total fund balances	<u>1,533,655</u>	<u>420,618</u>	<u>1,954,273</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u><u>\$ 2,034,414</u></u>	<u><u>\$ 691,651</u></u>	<u><u>\$ 2,726,065</u></u>

**ELBERT COUNTY, COLORADO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2016**

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>			
Taxes	\$ 244,450	\$ 98,151	\$ 342,601
Special assessments	-	12,620	12,620
Charges for services	1,081,940	-	1,081,940
Intergovernmental	273,188	-	273,188
Miscellaneous	9,902	-	9,902
Net investment income	4,666	136	4,802
Total revenues	<u>1,614,146</u>	<u>110,907</u>	<u>1,725,053</u>
<b>EXPENDITURES</b>			
General government	220,137	3,264	223,401
Public safety	456,225	-	456,225
Public works	55,000	-	55,000
Culture and recreation	107,149	-	107,149
Public health and welfare	263,336	-	263,336
Capital outlay	455,219	-	455,219
Debt service			
Principal and interest	416,890	695,509	1,112,399
Bond issuance costs	-	83,323	83,323
Total expenditures	<u>1,973,956</u>	<u>782,096</u>	<u>2,756,052</u>
<b>EXCESS OF REVENUES</b>			
<b>OVER (UNDER) EXPENDITURES</b>			
	<u>(359,810)</u>	<u>(671,189)</u>	<u>(1,030,999)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Capital lease proceeds	260,665	-	260,665
Refunding bond proceeds	-	5,825,000	5,825,000
Payment to bond escrow agent	-	(5,825,000)	(5,825,000)
Transfers in	76,077	473,831	549,908
Total other financing sources (uses)	<u>336,742</u>	<u>473,831</u>	<u>810,573</u>
<b>NET CHANGE IN FUND BALANCES</b>	(23,068)	(197,358)	(220,426)
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>1,556,723</u>	<u>617,976</u>	<u>2,174,699</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,533,655</u>	<u>\$ 420,618</u>	<u>\$ 1,954,273</u>

**ELBERT COUNTY, COLORADO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**December 31, 2016**

	<u>Law Enforcement Assistance</u>	<u>Impact Assistance</u>	<u>Public Health and Administration</u>
<b>ASSETS</b>			
Cash and investments with Treasurer	\$ 402,091	\$ 495,829	\$ 362,630
Accounts receivable	15,012	-	18,498
Property taxes receivable	-	-	-
Prepaid expenses	3,874	-	1,339
<b>TOTAL ASSETS</b>	<u>\$ 420,977</u>	<u>\$ 495,829</u>	<u>\$ 382,467</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 150,062	\$ -	\$ 15,666
Due to other funds	83,584	-	-
Total liabilities	<u>233,646</u>	<u>-</u>	<u>15,666</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable			
Prepaid expenses	3,874	-	1,339
Restricted			
Emergency reserves	21,607	-	5,623
Conservation trust	-	-	-
Assigned			
Public safety	161,850	-	-
Public health	-	-	359,839
Capital projects	-	495,829	-
Retirement	-	-	-
Total fund balances	<u>187,331</u>	<u>495,829</u>	<u>366,801</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 420,977</u>	<u>\$ 495,829</u>	<u>\$ 382,467</u>

<u>Retirement</u>	<u>Conservation Trust</u>	<u>Total</u>
\$ 143,929	\$ 359,606	\$ 1,764,085
3,128	-	36,638
228,478	-	228,478
-	-	5,213
<u>\$ 375,535</u>	<u>\$ 359,606</u>	<u>\$ 2,034,414</u>
\$ 5,084	\$ 33	\$ 170,845
-	17,852	101,436
<u>5,084</u>	<u>17,885</u>	<u>272,281</u>
<u>228,478</u>	<u>-</u>	<u>228,478</u>
-	-	5,213
7,631	-	34,861
-	341,721	341,721
-	-	161,850
-	-	359,839
-	-	495,829
134,342	-	134,342
<u>141,973</u>	<u>341,721</u>	<u>1,533,655</u>
<u>\$ 375,535</u>	<u>\$ 359,606</u>	<u>\$ 2,034,414</u>

**ELBERT COUNTY, COLORADO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**Year Ended December 31, 2016**

	<u>Law Enforcement Assistance</u>	<u>Impact Assistance</u>	<u>Public Health and Administration</u>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Charges for services	737,250	157,245	187,445
Intergovernmental	25,138	-	83,121
Miscellaneous income	-	-	-
Net investment income	-	2,458	-
Total revenues	<u>762,388</u>	<u>159,703</u>	<u>270,566</u>
<b>EXPENDITURES</b>			
General government	-	-	-
Public safety	456,225	-	-
Public works	-	55,000	-
Culture and recreation	-	-	-
Public health and welfare	-	-	263,336
Debt service	416,890	-	-
Capital outlay	345,157	-	28,164
Total expenditures	<u>1,218,272</u>	<u>55,000</u>	<u>291,500</u>
<b>EXCESS OF REVENUES</b>			
<b>OVER (UNDER) EXPENDITURES</b>	<u>(455,884)</u>	<u>104,703</u>	<u>(20,934)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	40,000	-	36,077
Capital lease proceeds	260,665	-	-
Total other financing sources (uses)	<u>300,665</u>	<u>-</u>	<u>36,077</u>
<b>NET CHANGE IN FUND BALANCES</b>	(155,219)	104,703	15,143
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>342,550</u>	<u>391,126</u>	<u>351,658</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 187,331</u>	<u>\$ 495,829</u>	<u>\$ 366,801</u>

<u>Retirement</u>	<u>Conservation Trust</u>	<u>Total</u>
\$ 244,450	\$ -	\$ 244,450
-	-	1,081,940
-	164,929	273,188
9,902	-	9,902
-	2,208	4,666
<u>254,352</u>	<u>167,137</u>	<u>1,614,146</u>
220,137	-	220,137
-	-	456,225
-	-	55,000
-	107,149	107,149
-	-	263,336
-	-	416,890
-	81,898	455,219
<u>220,137</u>	<u>189,047</u>	<u>1,973,956</u>
<u>34,215</u>	<u>(21,910)</u>	<u>(359,810)</u>
-	-	76,077
-	-	260,665
<u>-</u>	<u>-</u>	<u>336,742</u>
34,215	(21,910)	(23,068)
<u>107,758</u>	<u>363,631</u>	<u>1,556,723</u>
<u>\$ 141,973</u>	<u>\$ 341,721</u>	<u>\$ 1,533,655</u>

**ELBERT COUNTY, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**Year Ended December 31, 2016**

	<b>Law Enforcement Assistance</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>(NON-GAAP BUDGET BASIS)</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>REVENUES</b>				
Charges for services	\$ 560,000	\$ 560,000	\$ 737,250	\$ 177,250
Intergovernmental	23,125	23,125	25,138	2,013
Interest income	-	-	-	-
Miscellaneous income	-	-	-	-
Total revenues	<u>583,125</u>	<u>583,125</u>	<u>762,388</u>	<u>179,263</u>
<b>EXPENDITURES</b>				
General government	-	-	-	-
Public safety	494,884	494,884	456,225	38,659
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	138,162	438,095	416,890	21,205
Capital outlay	-	-	-	-
Total expenditures	<u>633,046</u>	<u>932,979</u>	<u>873,115</u>	<u>59,864</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(49,921)</u>	<u>(349,854)</u>	<u>(110,727)</u>	<u>239,127</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	40,000	40,000	40,000	-
Total other financing sources (uses)	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES-NON GAAP</b>	<u>\$ (9,921)</u>	<u>\$ (309,854)</u>	<u>(70,727)</u>	<u>\$ 239,127</u>
<b>PRESPECTIVE DIFFERENCES</b>				
Capital lease transactions				
Proceeds			260,665	
Capital outlay related to capital leases			<u>(345,157)</u>	
<b>NET CHANGE IN FUND BALANCE-GAAP BASIS</b>			(155,219)	
<b>FUND BALANCES - BEGINNING OF YEAR</b>			<u>342,550</u>	
<b>FUND BALANCES - END OF YEAR</b>			<u>\$ 187,331</u>	

**Impact Assistance**

<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
\$ 90,000	\$ 157,245	\$ 67,245
-	-	-
-	2,458	2,458
200	-	(200)
<u>90,200</u>	<u>159,703</u>	<u>69,503</u>
67,000	-	67,000
-	-	-
51,500	55,000	(3,500)
95,760	-	95,760
-	-	-
43,793	-	43,793
<u>258,053</u>	<u>55,000</u>	<u>203,053</u>
<u>(167,853)</u>	<u>104,703</u>	<u>272,556</u>
-	-	-
-	-	-
<u>\$ (167,853)</u>	<u>104,703</u>	<u>\$ 272,556</u>
	-	
	-	
	104,703	
	<u>391,126</u>	
	<u>\$ 495,829</u>	

**ELBERT COUNTY, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**Year Ended December 31, 2016**

	<b>Public Health and Administration</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	85,328	83,121	(2,207)
Charges for services	203,596	187,445	(16,151)
Miscellaneous income	-	-	-
Total revenues	<u>288,924</u>	<u>270,566</u>	<u>(18,358)</u>
<b>EXPENDITURES</b>			
General government	-	-	-
Public health and welfare	324,524	263,336	61,188
Capital outlay	-	28,164	(28,164)
Total expenditures	<u>324,524</u>	<u>291,500</u>	<u>33,024</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(35,600)</u>	<u>(20,934)</u>	<u>14,666</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>37,000</u>	<u>36,077</u>	<u>(923)</u>
Total other financing sources (uses)	<u>37,000</u>	<u>36,077</u>	<u>(923)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 1,400</u>	15,143	<u>\$ 13,743</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>		<u>351,658</u>	
<b>FUND BALANCES - END OF YEAR</b>		<u>\$ 366,801</u>	

<b>Retirement</b>		
<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
\$ 250,687	\$ 244,450	\$ (6,237)
-	-	-
-	-	-
-	9,902	9,902
<u>250,687</u>	<u>254,352</u>	<u>3,665</u>
253,708	220,137	33,571
-	-	-
-	-	-
<u>253,708</u>	<u>220,137</u>	<u>33,571</u>
<u>(3,021)</u>	<u>34,215</u>	<u>37,236</u>
-	-	-
-	-	-
<u>\$ (3,021)</u>	<u>34,215</u>	<u>\$ 37,236</u>
	<u>107,758</u>	
	<u>\$ 141,973</u>	

**ELBERT COUNTY, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**Year Ended December 31, 2016**

	<b>Conservation Trust</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental	\$ 146,600	\$ 164,929	\$ 18,329
Interest income	600	2,208	1,608
Total revenues	147,200	167,137	19,937
<b>EXPENDITURES</b>			
Culture and recreation	111,159	107,149	4,010
Capital outlay	110,000	81,898	28,102
Total expenditures	221,159	189,047	32,112
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (73,959)</b>	<b>(21,910)</b>	<b>\$ 52,049</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>		363,631	
<b>FUND BALANCES - END OF YEAR</b>		<b>\$ 341,721</b>	

**ELBERT COUNTY, COLORADO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS**  
**December 31, 2016**

	<u>Bond Redemption</u>	<u>Chaparral Valley</u>	<u>Meadows Station</u>	<u>Foxwood Estates</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and investments with Treasurer	\$ 498,498	\$ -	\$ -	\$ -	\$ 498,498
Cash and investments with Treasurer - Restricted	-	3,869	26,824	14,467	45,160
Accounts receivable	-	-	826	348	1,174
Assessments receivable	-	60,127	-	-	60,127
Property tax receivable	-	-	59,065	24,841	83,906
Due from other funds	2,786	-	-	-	2,786
<b>TOTAL ASSETS</b>	<u>\$ 501,284</u>	<u>\$ 63,996</u>	<u>\$ 86,715</u>	<u>\$ 39,656</u>	<u>\$ 691,651</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Advances from other funds	\$ -	\$ 127,000	\$ -	\$ -	\$ 127,000
Total liabilities	<u>-</u>	<u>127,000</u>	<u>-</u>	<u>-</u>	<u>127,000</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-property taxes and assessments	-	60,127	59,065	24,841	144,033
Total deferred inflows of resources	<u>-</u>	<u>60,127</u>	<u>59,065</u>	<u>24,841</u>	<u>144,033</u>
<b>FUND BALANCE</b>					
Restricted for debt service	1,284	-	27,650	14,815	43,749
Restricted for capital projects	500,000	-	-	-	500,000
Unassigned	-	(123,131)	-	-	(123,131)
Total fund balance	<u>501,284</u>	<u>(123,131)</u>	<u>27,650</u>	<u>14,815</u>	<u>420,618</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 501,284</u>	<u>\$ 63,996</u>	<u>\$ 86,715</u>	<u>\$ 39,656</u>	<u>\$ 691,651</u>

**ELBERT COUNTY, COLORADO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS**  
**Year Ended December 31, 2016**

	<u>Bond Redemption</u>	<u>Chaparral Valley</u>	<u>Meadows Station</u>	<u>Foxwood Estates</u>	<u>Total</u>
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ 69,069	\$ 29,082	\$ 98,151
Special assessments	-	12,620	-	-	12,620
Net investment income	-	-	28	108	136
Total revenues	<u>-</u>	<u>12,620</u>	<u>69,097</u>	<u>29,190</u>	<u>110,907</u>
<b>EXPENDITURES</b>					
General government	-	529	1,844	891	3,264
Debt service					
Principal and interest	388,800	84,800	145,072	76,837	695,509
Bond issuance costs	83,323	-	-	-	83,323
Total expenditures	<u>472,123</u>	<u>85,329</u>	<u>146,916</u>	<u>77,728</u>	<u>698,773</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>					
<b>EXPENDITURES</b>	<u>(472,123)</u>	<u>(72,709)</u>	<u>(77,819)</u>	<u>(48,538)</u>	<u>(671,189)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Refunding bond proceeds	5,825,000	-	-	-	5,825,000
Payment to bond escrow agent	(5,825,000)	-	-	-	(5,825,000)
Transfers in	473,831	-	-	-	473,831
Total other financing sources (uses)	<u>473,831</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>473,831</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,708	(72,709)	(77,819)	(48,538)	(197,358)
<b>FUND BALANCES - BEGINNING</b>					
<b>OF YEAR</b>	<u>499,576</u>	<u>(50,422)</u>	<u>105,469</u>	<u>63,353</u>	<u>617,976</u>
<b>FUND BALANCES - END</b>					
<b>OF YEAR</b>	<u>\$ 501,284</u>	<u>\$ (123,131)</u>	<u>\$ 27,650</u>	<u>\$ 14,815</u>	<u>\$ 420,618</u>

**ELBERT COUNTY, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS**  
**Year Ended December 31, 2016**

	<b>Bond Redemption Fund</b>		
	<b>(NON-GAAP BUDGET BASIS)</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>			
Special assessments	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
General government	-	-	-
Debt service			
Principal and interest	574,563	388,800	185,763
Bond issuance costs	-	83,323	(83,323)
Total expenditures	<u>574,563</u>	<u>472,123</u>	<u>102,440</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>			
<b>EXPENDITURES</b>	<u>(574,563)</u>	<u>(472,123)</u>	<u>102,440</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	574,563	473,831	(100,732)
Total other financing sources (uses)	<u>574,563</u>	<u>473,831</u>	<u>(100,732)</u>
<b>NET CHANGE IN FUND BALANCES-NON GAAP</b>	-	1,708	1,708
<b>PREPECTIVE DIFFERENCES</b>			
Bond refunding transactions			
Refunding bond proceeds	-	5,825,000	5,825,000
Payment to bond escrow agent	-	(5,825,000)	(5,825,000)
<b>NET CHANGE IN FUND BALANCE-GAAP BASIS</b>	<u>\$ -</u>	1,708	<u>\$ 1,708</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>		<u>499,576</u>	
<b>FUND BALANCES - END OF YEAR</b>		<u>\$ 501,284</u>	

**Chaparral Valley**

<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
\$ 13,000	\$ 12,620	\$ (380)
13,000	12,620	(380)
670	529	141
84,800	84,800	-
-	-	-
85,470	85,329	141
(72,470)	(72,709)	(239)
52,400	-	(52,400)
52,400	-	(52,400)
(20,070)	(72,709)	(52,639)
-	-	-
-	-	-
\$ (20,070)	(72,709)	\$ (52,639)
	(50,422)	
	\$ (123,131)	

**ELBERT COUNTY, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS**  
**Year Ended December 31, 2016**

	<b>Meadows Station</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	\$ 69,532	\$ 69,069	\$ (463)
Net investment income	-	28	28
Total revenues	69,532	69,097	(435)
<b>EXPENDITURES</b>			
General government	2,000	1,844	156
Debt service			
Principal and interest	150,382	145,072	5,310
Total expenditures	152,382	146,916	5,466
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (82,850)</b>	<b>(77,819)</b>	<b>\$ 5,031</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>		105,469	
<b>FUND BALANCES - END OF YEAR</b>		<b>\$ 27,650</b>	

**Foxwood Estates**

<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
\$ 28,856	\$ 29,082	\$ 226
-	108	108
<u>28,856</u>	<u>29,190</u>	<u>334</u>
2,000	891	1,109
<u>83,670</u>	<u>76,837</u>	<u>6,833</u>
<u>85,670</u>	<u>77,728</u>	<u>7,942</u>
<u>\$ (56,814)</u>	(48,538)	<u>\$ 8,276</u>
	<u>63,353</u>	
	<u>\$ 14,815</u>	

**ELBERT COUNTY, COLORADO**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**Year Ended December 31, 2016**

	<u>Balance January 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2016</u>
<b>ASSETS</b>				
Cash - Treasurer	\$ 1,502,404	\$ 37,753,972	\$ (37,850,879)	1,405,497
Cash - Public Trustee	88,436	1,609,853	(1,650,485)	47,804
Cash - Sheriff	30,946	314,389	(307,553)	37,782
Accounts Receivable	-	3,882	-	3,882
<b>TOTAL ASSETS</b>	<u>\$ 1,621,786</u>	<u>\$ 39,682,096</u>	<u>\$ (39,808,917)</u>	<u>\$ 1,494,965</u>
<b>LIABILITIES</b>				
Due to other governments	\$ 1,010,290	\$ 24,347,419	\$ (24,234,959)	1,122,750
Other liabilities	123,792	391,355	(400,399)	114,748
Outstanding checks payable	399,268	13,333,469	(13,523,074)	209,663
Escrow deposits held by Public Trustee	88,436	1,609,853	(1,650,485)	47,804
<b>TOTAL LIABILITIES</b>	<u>\$ 1,621,786</u>	<u>\$ 39,682,096</u>	<u>\$ (39,808,917)</u>	<u>\$ 1,494,965</u>

## **OTHER SCHEDULES**

The public report burden for this information collection is estimated to average 380 hours annually.

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: <b>Elbert County</b>
	YEAR ENDING : December 2016

This Information From The Records Of (example - City of \_ or County of \_  
County of Elbert County, Colorado) Prepared By: \_\_\_\_\_  
Phone: \_\_\_\_\_

**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

**II. RECEIPTS FOR ROAD AND STREET PURPOSES**

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	2,783,554
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	4,514,686
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	52,684
2. General fund appropriations		b. Snow and ice removal	372,145
3. Other local imposts (from page 2)	6,114,260	c. Other	853,153
4. Miscellaneous local receipts (from page 2)	930,583	d. Total (a. through c.)	1,277,982
5. Transfers from toll facilities		4. General administration & miscellaneous	986,883
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	9,563,105
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	7,044,843	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	2,840,466	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	290,444	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	10,175,753	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	9,563,105

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				0
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,657,848	10,175,753	9,563,105	2,270,496	0

Notes and Comments:

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: Colorado
	YEAR ENDING (mm/yy): December 2016

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	2,829,426	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	3,229,834	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	55,000	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	17,378
4. Licenses		f. Charges for Services	175,494
5. Specific Ownership &/or Other		g. Other Misc. Receipts	16,116
6. Total (1. through 5.)	3,284,834	h. Other Capital Lease proceeds	721,595
c. Total (a. + b.)	6,114,260	i. Total (a. through h.)	930,583
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	2,682,277	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	280,543
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	158,189	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify) - CDOT	0	f. Other Federal - Mineral Lease	9,901
f. Total (a. through e.)	158,189	g. Total (a. through f.)	290,444
4. Total (1. + 2. + 3.f)	2,840,466	3. Total (1. + 2.g)	
			(Carry forward to page 1)

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		2,783,554	2,783,554
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	2,783,554	2,783,554
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	2,783,554	2,783,554
			(Carry forward to page 1)

Notes and Comments: